
From: Abram Carls
Sent: Wednesday, October 4, 2023 11:26 AM
To: 'Reasoner, Janet (USTP)'
Cc: Vandenberg, Todd (USTP); joe@ablsonline.com; Davison, Claire R. (USTP); Cline, Jennifer (USTP); Janczak, Elizabeth
Subject: RE: BDC

Janet,

Are the US Trustee's demands backed by any legal authority? Section 345 says nothing about "authorized depositories." It says "except with respect to a deposit . . . that is insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States . . ." which is what already exists and/or the ICS/CDARS network provides. Hopefully you see the wisdom of waiting to see what Judge says Friday. Thanks.

From: Reasoner, Janet (USTP) <Janet.G.Reasoner@usdoj.gov>
Sent: Wednesday, October 4, 2023 11:10 AM
To: Abram Carls <acarls@spmbllaw.com>
Cc: Vandenberg, Todd (USTP) <Todd.Vandenberg@usdoj.gov>; joe@ablsonline.com; Davison, Claire R. (USTP) <Claire.R.Davison@usdoj.gov>; Cline, Jennifer (USTP) <Jennifer.L.Cline@usdoj.gov>; Janczak, Elizabeth <ejanczak@sgrllaw.com>
Subject: RE: BDC

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Abram,

The ICS/CDARS network would work, but all the participating banks, including Keystone would have to be authorized depositories. It is my understanding that it would take time to get that set-up because it requires board resolutions for each of the participating banks to become authorized depositories. Also, it is my understanding that Keystone does not want to be an authorized depository. The Debtor should simply move funds in excess of \$250,000 to an authorized depository. It is my understanding that Joe Peiffer is attempting to get that done, but you/your client will not agree to allow them to do that.

The UST will not be supporting BDC's and the Bank's Motion to Lift stay to apply \$500,000 to the Bank's prepetition claim. The Unsecured Creditors Committee has objected to that Motion and is investigating. We don't intend to take a position contrary to the committee on this issue.

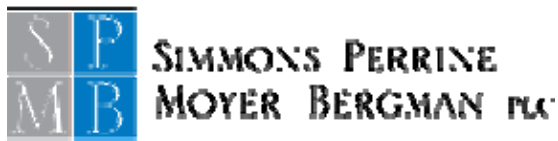
From: Abram Carls <acarls@spmbllaw.com>
Sent: Wednesday, October 4, 2023 9:17 AM
To: Reasoner, Janet (USTP) <Janet.G.Reasoner@usdoj.gov>
Cc: Vandenberg, Todd (USTP) <Todd.Vandenberg@usdoj.gov>; joe@ablsonline.com
Subject: [EXTERNAL] BDC

Janet,

Can you please identify your issues with the ICS/CDARS network for insurance coverage. It complies with section 345 in that federal insurance backs the deposits. Is there another code section that concerns you?

Likewise, BDC and Keystone have moved to lift stay to apply collateral deposits to debt and eliminate this issue. Will the US Trustee support that approach and allow us the time to get it done so we're not mired in administrative red tape? Hearing is Friday.

Abram Carls
Member



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Cedar Rapids, Iowa 52401
Telephone: (319) 896-4034

Email: acarls@spmblaw.com
www.spmblaw.com

Please notify me if you receive this confidential email in error.

From: Vandenberg, Todd (USTP) <Todd.Vandenberg@usdoj.gov>
Sent: Monday, October 2, 2023 2:15 PM
To: Abram Carls
Cc: joe@ablsonline.com; Reasoner, Janet (USTP)
Subject: RE: BDC Deposits

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Mr. Carls:

This is standard practice in ch11 cases. Our office maintains approved depositories for this very purpose.

Keystone Savings Bank initially expressed interest in becoming an authorized depository, however, I believe that interest has passed.

It is not our intent/purpose to determine whether funds are "collateral," our process is to provide protection for all funds exceeding FDIC insurance.

I have addressed the inadequacies concerning the CDARS network with Mr. Peiffer.

If you have additional questions feel free to contact me,

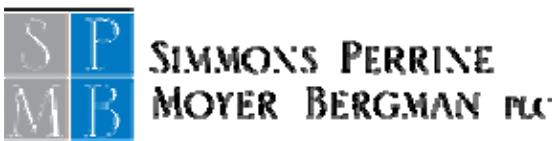
Todd

From: Abram Carls <acarls@smbblaw.com>
Sent: Monday, October 2, 2023 1:39 PM
To: Vandenberg, Todd (USTP) <Todd.Vandenberg@usdoj.gov>
Cc: joe@ablsonline.com; Reasoner, Janet (USTP) <Janet.G.Reasoner@usdoj.gov>
Subject: [EXTERNAL] RE: BDC Deposits

We're working on option #1 (pay down) but drew an objection from the committee on Friday which will cause some delay.

The bank can utilize its access to the CDARS network in the interim if FDIC insurance coverage is a concern. My question is more basic though: why is insurance an issue in the first place? The deposit are held at the bank that owns them (collateral).

Abram Carls
Member



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Please notify me if you receive this confidential email in error.

From: Vandenberg, Todd (USTP) <Todd.Vandenberg@usdoj.gov>
Sent: Monday, October 2, 2023 1:30 PM
To: Abram Carls <acarls@spmblaw.com>
Cc: joe@ablsonline.com; Reasoner, Janet (USTP) <Janet.G.Reasoner@usdoj.gov>
Subject: RE: BDC Deposits

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I have not heard anything definitive from Mr. Peiffer.

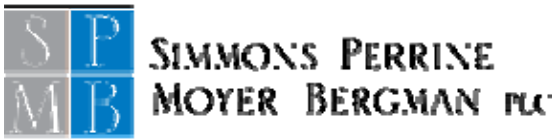
The options I believe were paying down secured debt (per cash collateral motion) or transferring excess funds to US Bank or Wells Fargo.

From: Abram Carls <acarls@spmblaw.com>
Sent: Monday, October 2, 2023 1:25 PM
To: Vandenberg, Todd (USTP) <Todd.Vandenberg@usdoj.gov>
Cc: joe@ablsonline.com; Reasoner, Janet (USTP) <Janet.G.Reasoner@usdoj.gov>
Subject: [EXTERNAL] RE: BDC Deposits

Todd,

Any updates here? Thanks.

Abram Carls
Member



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Please notify me if you receive this confidential email in error.

From: Abram Carls
Sent: Wednesday, September 27, 2023 4:14 PM
To: Todd.Vandenberg@usdoj.gov
Cc: joe@ablsonline.com; janet.g.reasoner@usdoj.gov
Subject: BDC Deposits

Todd,

Do you have time to discuss the BDC deposit concerns tomorrow or Friday? Because the existing deposits are collateral for the bank holding the deposits, I do not understand why this is an issue.